

***SOUTH CAROLINA DEPARTMENT OF  
ALCOHOL AND OTHER DRUG ABUSE SERVICES  
(DAODAS)***

***Budget Request  
Fiscal Year 2012-2013***

***Healthcare Budget Subcommittee  
House Ways and Means Committee***

***February 1, 2012***

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## South Carolina Department of Alcohol and Other Drug Abuse Services

NIKKI R. HALEY  
Governor

BOB TOOMEY  
Director

February 1, 2012

The Honorable G. Murrell Smith Jr., Chairman  
The Honorable Harry L. Ott Jr.  
The Honorable Tracy R. Edge  
The Honorable William G. "Bill" Herbkersman

Healthcare Budget Subcommittee  
Ways and Means Committee  
South Carolina House of Representatives  
Columbia, South Carolina 29211

Dear Representatives:

The Department of Alcohol and Other Drug Abuse Services (DAODAS) respectfully submits the following fiscal year 2012-2013 budget plan for your consideration.

For the upcoming fiscal year, DAODAS is requesting no increase in recurring General Funds.

As outlined in Governor Haley's Executive Budget, DAODAS is requesting codification of two existing provisos and recommending the establishment of a new proviso regarding the agency's Medicaid Match transfer to the Department of Health and Human Services.

Thank you for your consideration of these items. If you have any questions concerning this request, please do not hesitate to call on me.

Sincerely,

Robert C. Toomey  
Director

RCT/jmm

**DAODAS**

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# South Carolina Department of Alcohol and Other Drug Abuse Services

## Departmental Overview

### Mission and Values

The DAODAS mission statement focuses on achieving positive health outcomes and increasing the quality of life of South Carolinians:

*“To ensure the availability and quality of substance abuse prevention, treatment, and recovery services in South Carolina, thereby improving the health status and quality of life of individuals, families, and communities.”*

At the heart of this statement are the agency’s core values of respect, integrity, and dedication. DAODAS adheres to guiding principles that outline how the agency and its employees conduct business. Among others, these principles include:

- the belief that addiction is a primary and chronic disease that is preventable and treatable;
- the understanding that the individual client is the priority;
- DAODAS’ commitment to providing statewide leadership on all substance use and addiction issues;
- DAODAS’ willingness to work collaboratively with both public and private providers of substance abuse services, as well as universal healthcare providers; and
- DAODAS’ commitment to collaborate more effectively to achieve positive health outcomes for South Carolinians who may be involved in multiple healthcare systems.

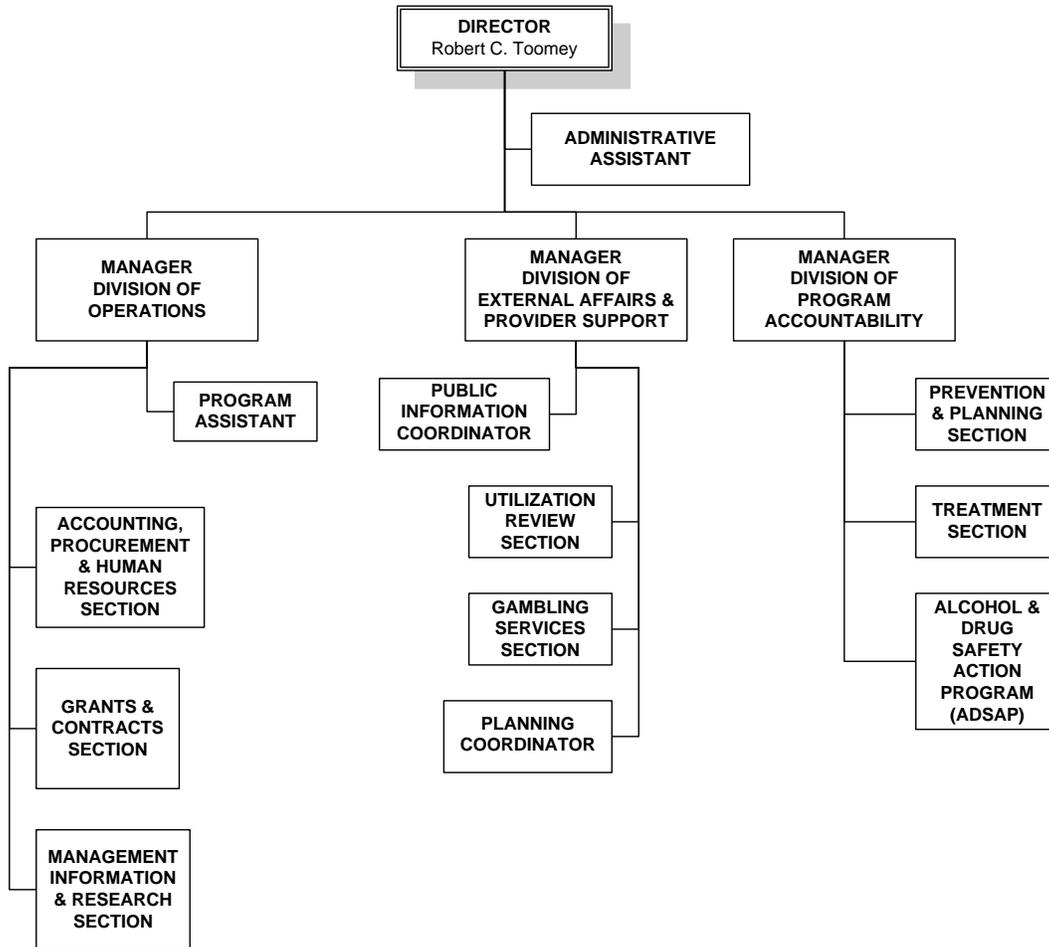
### Main Products and Services

Three major products are offered by the department and are delivered by contracting with 33 certified substance abuse providers and a range of state agencies and community partners:

- *Prevention services* are the use of evidence-based approaches to create or enhance environmental conditions within communities, families, schools, and workplaces to protect individuals from substance abuse and to help them develop personal decision-making skills to reduce the risk of alcohol-, tobacco- and other drug-related problems. Services are implemented in communities and schools throughout South Carolina, and are delivered by a local network of state-licensed and nationally accredited providers.
- *Intervention services* work to identify, at an early stage, individuals who are at risk of experiencing specific problems caused by their use of alcohol, tobacco and other drugs. The Alcohol and Drug Safety Action Program (ADSAP), the state’s DUI offender initiative, is the most recognizable intervention program and is delivered by a local network of state-licensed and nationally accredited providers.
- *Treatment services* are designed to improve the lives of individuals and families affected by substance abuse through the provision of individualized care to reduce the health and human service costs, as well as the economic cost, to our communities and state. Specific substance abuse services range from outpatient treatment, which is available in every

county, to specialized treatment services, such as detoxification, adolescent inpatient treatment, and/or other residential services. Specialized services are available on a county, regional, and/or statewide basis, and are delivered by a local network of state-licensed and nationally accredited providers. These include specialized services for women and children that are provided through four long-term residential treatment programs and one long-term transitional housing program; services to adolescents; and services to incarcerated and paroled individuals. (*Note: This list is not inclusive of all the innovative programs offered.*)

### Organizational Chart



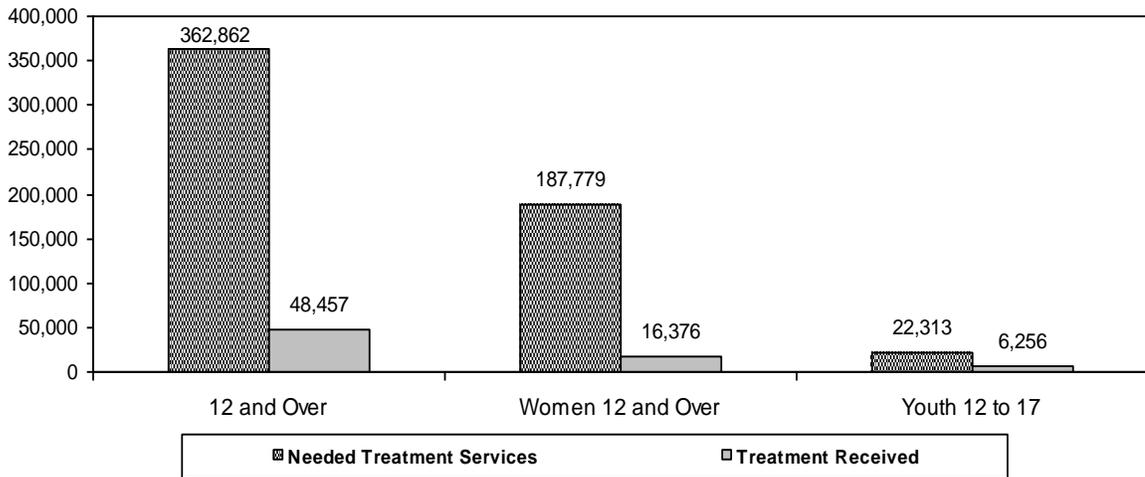
*Source: DAODAS Division of External Affairs and Provider Support*

### Key Agency Officials

- Bob Toomey – Director
- Lee Dutton – Manager, Division of External Affairs and Provider Support  
Legislative Liaison
- Lillian Roberson – Manager, Division of Operations  
Budget Director
- George Crosland – Manager, Division of Program Accountability

## South Carolina Department of Alcohol and Other Drug Abuse Services Major Accomplishments

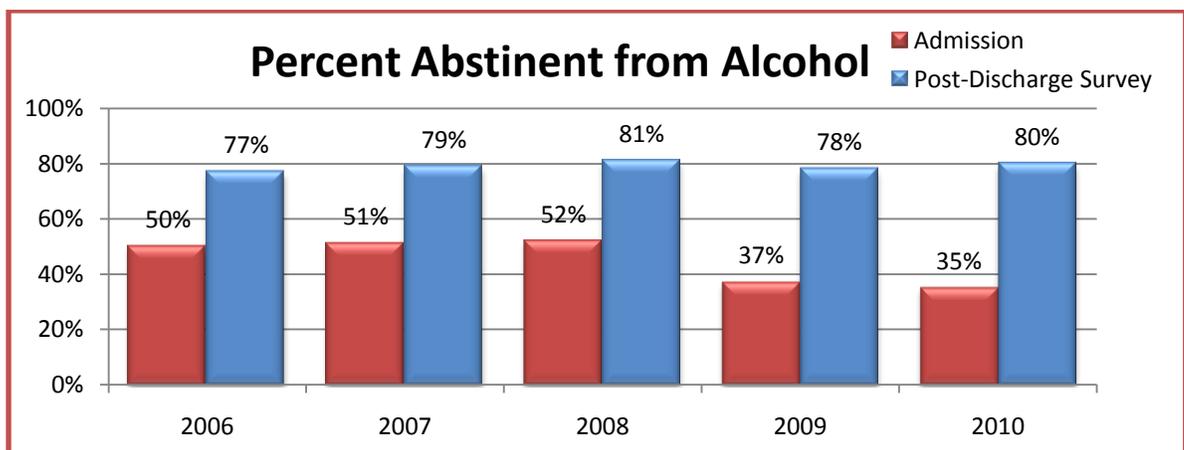
- DAODAS estimates that approximately 362,800 individuals in South Carolina are suffering from substance abuse problems that require immediate intervention and treatment. That is one in 10 South Carolinians. During fiscal year 2011 (FY11), DAODAS and its provider network provided these services for 48,457 South Carolinians.

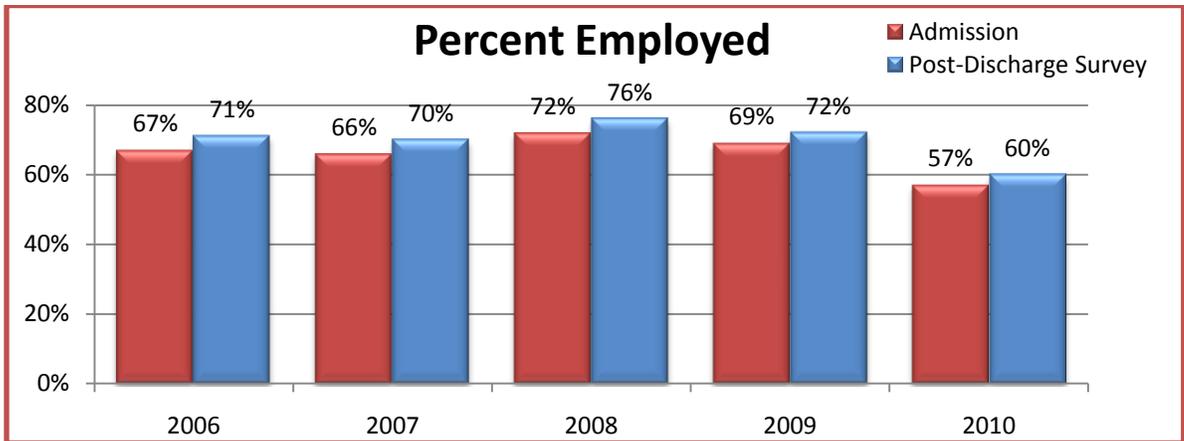


*Source: DAODAS Division of Operations, Management Information and Research Section; FY11 Unique Unduplicated Clients, DCSL Based, Special Demographics; Estimates are based on the 2008-2009 National Survey of Drug Use and Health (NSDUH, State Level Estimates)*

- Treatment and Prevention Outcomes / Quality of Life / Economic Development

*Achievement - Treatment:* 80% of surveyed clients report no alcohol use at 90 to 110 days following discharge from services, an increase of 45% from admission; 60% of surveyed clients report that they were gainfully employed at 90 to 110 days following discharge, an increase of 3%. (*Note: FY10 data. FY11 data has not been finalized.*) These outcomes show that treatment works and that substance abuse services have a positive impact on the quality of life of South Carolina communities, thereby improving health outcomes, impacting the economic capacity of residents, and leading to clients' ability to maintain health, home, purpose, and community.

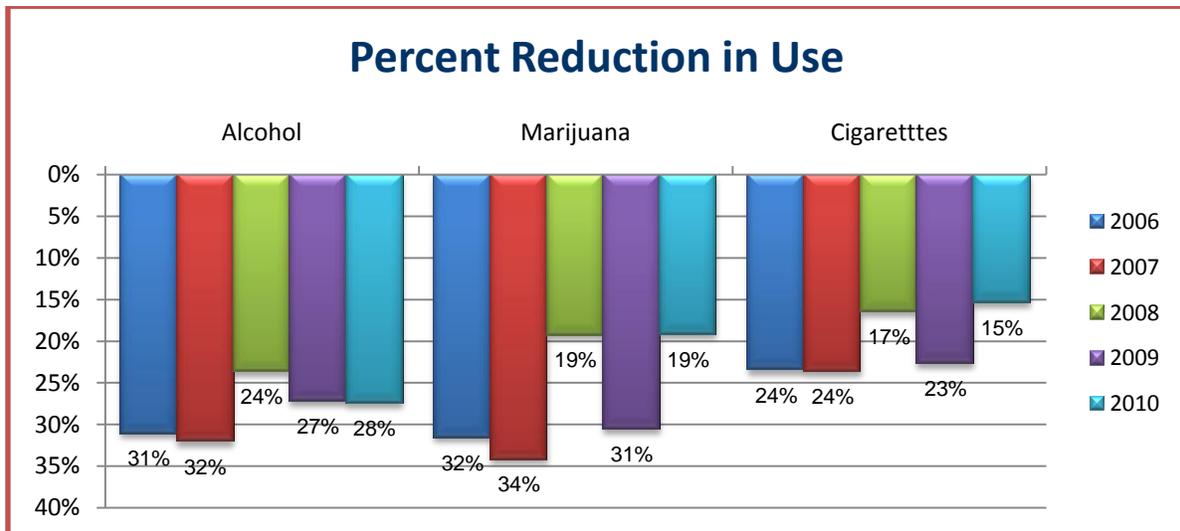




Source: DAODAS Division of Operations, Management Information and Research Section; Unduplicated Clients/Unmatched Clients. Note: FY10 data. FY11 data has not been finalized.

- Achievement - Prevention:** Outcomes (\* indicates significance) for multi-session prevention education programs for youth ages 10 to 20 during FY11 included: 16.3% reduction in the number of cigarette users\*; 18.2% reduction in the number of inhalant users\*; 26.8% reduction in the number of non-medical prescription drug users\*; 8.1% improvement in perceived risk/harm of ATOD use\*; and 1.8% improvement in decision-making skills\*. DAODAS increased evidence-based programming, from 54 activities in fiscal year 2004 to 248 in FY11.

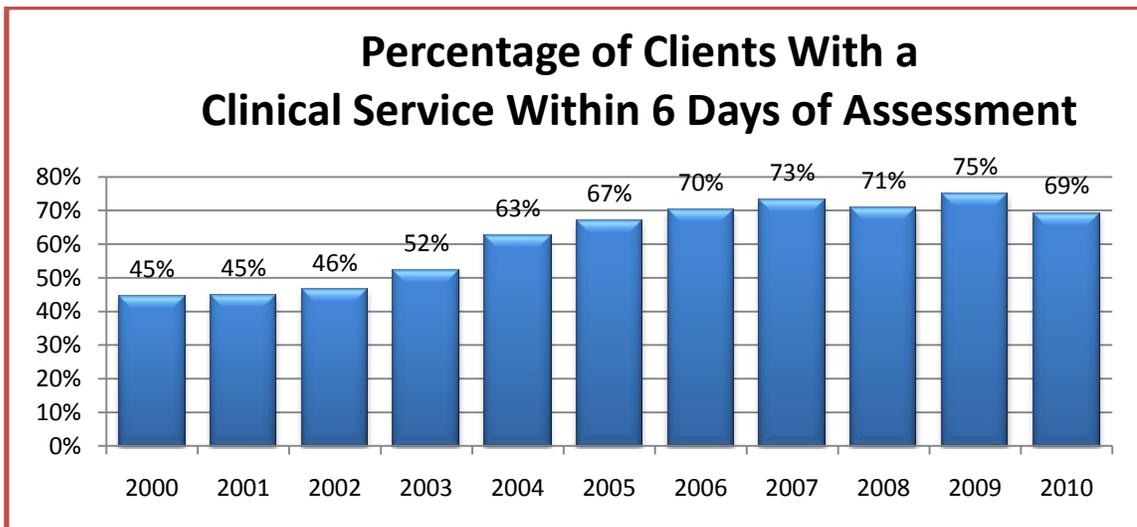
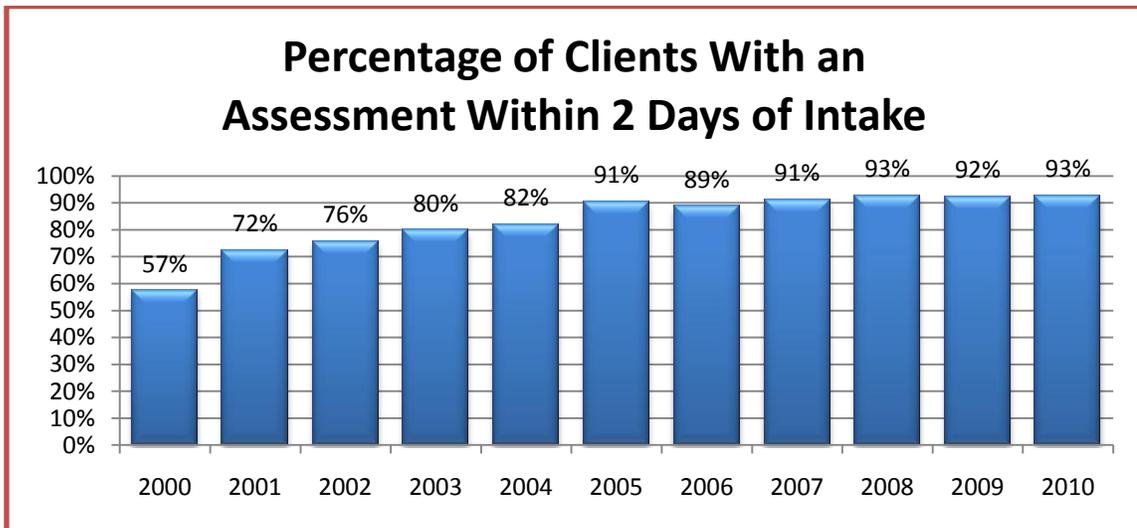
Significance Chart FY07-FY10



Source: DAODAS Division of Program Accountability, Prevention Section / PIRE Evaluation, FY10

The outcomes show that prevention works and has a significant impact on quality-of-life indicators, as well as forestalling chronic disease in South Carolina. Prevention data also show that children and youth are using harmful substances less as a result of receiving prevention services, an indicator that is normally associated with intervention activities.

- Substance Abuse Treatment and Retention



- DAODAS Administration

**Under new leadership, in FY11 the agency relocated its offices to a state-owned building that also houses the administrative offices of the Department of Mental Health. This move saved the agency \$185,124 in combined funds in fiscal year 2012 (FY12) and will save more than \$143,000 in total funds for each ensuing year. The agency was also able to decrease the costs of information technology maintenance by contracting with the Division of State Information Technology (DSIT) to host and manage the agency’s server network. These funds will be redirected toward the agency’s core mission of ensuring access to prevention, treatment, and recovery services in South Carolina communities.**

**DAODAS was able to review contracts with a number of providers of prevention and treatment services and to identify several that were not meeting the primary goals of the agency and were underperforming. These contracts were cancelled, with**

the funds redirected for FY12 to the agency's core mission of ensuring access to prevention, treatment, and recovery services in South Carolina communities.

- Community- and State-Level Collaboration

DAODAS continues to implement provisions of the Prevention of Underage Drinking and Access to Alcohol Act of 2007. **In FY11, the South Carolina General Assembly continued supporting the Alcohol Enforcement Team (AET) effort that focuses on community coalition maintenance and development, merchant education, and law enforcement partnerships to reduce underage drinking activities.** AETs seek to promote an evidence-based environmental prevention message to reduce alcohol use and its harmful consequences, coupled with active public education. Specific activities include alcohol compliance checks at retail outlets, bars and restaurants; public safety checkpoints; and party dispersals. Merchant training is also a priority. In FY11, 5,958 compliance checks were conducted under the auspices of the AET effort. Law enforcement prevented or dispersed 220 underage parties, and 475 checkpoints were set up on South Carolina's highways, with more than 1,250 tickets being written, including 386 underage violations. (*Note: Figures not final*)

DAODAS believes that the dissemination of its underage-drinking prevention messages is the most important effort undertaken by the department, with great strides being made toward the goal of halting underage drinking and the disastrous impact such behavior can have on individuals, their families, and innocent victims.

- Departmental Collaboration (DHHS Highlight)

**Beginning in FY12, DAODAS partnered with the Department of Health and Human Services to implement the Screening, Brief Intervention and Referral to Treatment (SBIRT) model.** Significant improvement of birth outcomes for pregnant Medicaid beneficiaries is a goal for the state of South Carolina. In October, DHHS began screening all pregnant Medicaid beneficiaries for tobacco use, as well as screening for addiction diagnoses. These screens will increase the chances of improving birth outcomes (and reducing the expense of neonatal intensive care). The department worked with DHHS to implement the SBIRT model for pregnant beneficiaries in Medical Home Networks (MHNs), with plans to expand to all covered pregnant women in Managed Care Organizations (MCOs). DAODAS and its county alcohol and drug abuse authorities have initiated training on SBIRT with the MHNs and MCOs. Pregnant women found to have a diagnosis of addiction will be given highest priority for referral resulting from the screening process.

# South Carolina Department of Alcohol and Other Drug Abuse Services

## Key Strategic Goals

The overall strategic goal for DAODAS states that:

*“Clients in treatment will achieve sustainable recovery; and client attitudes and behaviors will change, leading them to refrain from use, refrain from abuse, and reduce harm.”*

DAODAS will achieve the following strategic goals:

- 1) improve the effectiveness of treatment and intervention programs;
- 2) improve the effectiveness of prevention programs;
- 3) improve the efficiency of the service-delivery system;
- 4) ensure that all clients and the citizenry are stimulated and engaged;
- 5) collaborate more effectively with service providers and stakeholders; and
- 6) make available the necessary resources to improve the agency’s capacity to provide efficient and effective services.

## Key Strategic Challenges

### #1 Reducing Administration and Duplication of Services

- To make available the necessary resources to improve the department’s capacity to provide efficient and effective services.
  1. Implement system integration with primary healthcare and behavioral healthcare systems.
  2. Increase electronic recordkeeping and information technology capabilities.
  3. Identify and address internal process-improvement actions to achieve better response times. Focus on planning for federal block grant application.
- To improve the efficiency of the service-delivery system.
  1. Focus on Recovery-Oriented Systems of Care.
- To collaborate more effectively with service providers and stakeholders.
  1. Focus on capability for treating clients with co-occurring disorders.
  2. Focus on increasing access to services for veterans and their families.
  3. Implement Screening, Brief Intervention and Referral to Treatment (SBIRT) programs with Medicaid populations.
  4. Work with the Department of Social Services to identify clients in need of substance abuse services and to ensure seamless referrals.
- To ensure that all clients and the citizenry-at-large are stimulated and engaged.
  1. Focus on families.

## #2 Increasing Evidence-Based Prevention Programming

- To improve the effectiveness of prevention programs.
  1. Capitalize on successes and expand program efforts to address underage drinking.
  2. Develop and implement a plan to reduce Fetal Alcohol Syndrome and increase healthy birth outcomes.

## #3 Increasing Evidence-Based Treatment Programming

- To improve the effectiveness of treatment and intervention programs.
  1. Work with the Clinical Trials Network at the Medical University of South Carolina to further integrate research-based “best practices” into treatment protocols.
  2. Focus on implementing medication-assisted treatment.
  3. Continue focusing on systems change to increase access to services for adolescents and families seeking health and human services.

## #4 Focusing on Statewide Infrastructure Needs

- To improve the efficiency of the service-delivery system.
  1. Implement business protocols across the local provider system to access public and private insurance products.
  2. Increase service capacity.

## #5 Performance Data Decision-Making

- To provide the necessary resources to improve the agency’s capacity to provide efficient and effective services.
  1. Develop and implement incentive contract processes based on service benchmarks.

## **DAODAS Direction for Fiscal Year 2013**

The department came under new leadership with the appointment of Bob Toomey as its Director in February 2011. With new leadership comes the opportunity for the agency to refocus its strategic direction, while also capitalizing on more than 50 years of success in ensuring access to substance abuse services for the citizens of South Carolina. DAODAS is:

- undertaking an assessment of internal processes to better serve its customers;
- working with the public and private provider networks to **increase health outcomes** and – through collaboration with other state systems – better serve all South Carolinians;
- collaborating more closely with primary healthcare, behavioral healthcare, and universal healthcare providers to **increase capacity** for serving individuals with substance abuse disorders; and
- meeting “head on” the challenges that face our state in a time of reduced resources by developing plans to address the delivery of the agency’s core mission through service integration as well as tapping underutilized private and public resources.

## **South Carolina Department of Alcohol and Other Drug Abuse Services Budget Request 2012 -2013**

### **Agency Highlights**

In May 2011, DAODAS moved into a state-owned building that houses the administrative offices of the Department of Mental Health. The combined federal and state savings of \$185,124 for FY11 were directed toward the agency's core mission of service provision, including the prevention and treatment of addictions.

The department also has taken steps to decrease administrative costs for personnel and fringe, operating expenses, and state vehicle usage and to eliminate programs that were identified as not meeting the primary goals of the agency. The combined federal and state savings of \$650,607 were redirected to the department's core mission of service provision.

DAODAS is undertaking an assessment of internal processes to better serve its customers, working with the public and private provider networks to increase health outcomes and – through collaboration with other state systems – better serve all South Carolinians.

Over the past several years, the General Assembly has invested in our local communities with funding for **prevention and treatment services for children and adolescents**, and funding for local **infrastructure** needs through the State Block Grant line of the DAODAS budget. For the FY12 Budget, the General Assembly appropriated \$100,000 in recurring funds for the State Block Grant and \$50,000 for Gambling Services from the Education Lottery's unclaimed prize fund.

### **Recommended Appropriations**

The Governor's Fiscal Year 2013 Executive Budget recommends:

- No increase from FY12 levels of operating support
- Current Recurring State Base: \$6,255,633 (includes Local Salary Supplement)
- No capital or nonrecurring funds

### **Reduced Resources**

DAODAS ended FY11 having suffered a 59.5% cut in base state funding between July 2008 and July 2011, for an approximate total reduction of \$5.04 million. Total state appropriations directed to DAODAS for substance abuse services for FY12 are \$6.248 million. DAODAS and its county alcohol and drug abuse authorities have received one of the largest proportional state funding cuts of any state agency. A majority of these cuts have been taken in the **Medicaid Match** line, as this is where a majority of state funding is located in the DAODAS budget. The Medicaid Match line has been reduced by 45.2%, down to \$1.9 million for FY12.

### FY09 - FY12 Budget Cuts (to date)

	<u>Date</u>	<u>DAODAS-Internal</u>	<u>Provider</u>	<u>Total</u>
	<b>State Budget Base - End FY08</b>			<b>\$11,808,554</b>
1	July 2008 (2%)	(23,517)	(242,517)	(266,034)
2	November 2008 (15.1%)	(323,725)	(1,437,578)	(1,761,303)
3	January 2009 (7%)	(58,808)	(633,050)	(691,858)
4	April 2009 (2%)		(183,836)	(183,836)
5	July 2009	(81,611)	(992,219)	(1,073,830)
6	September 2009 (4.04%)	(24,265)	(316,249)	(340,514)
7	December 2009 (5%)	(33,710)	(370,973)	(404,683)
8	July 2010 (15%)	(60,000)	(1,093,344)	(1,153,344)
9	July 2011 (6.0%)	<u>(133,525)</u>	<u>(258,925)</u>	<u>(392,450)</u>
	<b>Total Cuts</b>	(739,161)	(5,528,691)	(6,267,852)
Funds Received - State Recurring				
	July 2008 - COLA			102,461
	July 2009 - Prevention			500,000
	July 2010 - Health/Dental Insurance Increase			5,212
	July 2011 - Health/Dental Insurance Increase			7,254
	July 2011 - SBG Increase -Recurring			<u>100,000</u>
	<b>Net Cuts to Base Budget</b>			(5,552,925)
	<b>FY12 Revised Base Budget</b>			<b>6,255,633*</b>

\* Does not include the \$1.2 million non-recurring infrastructure funds

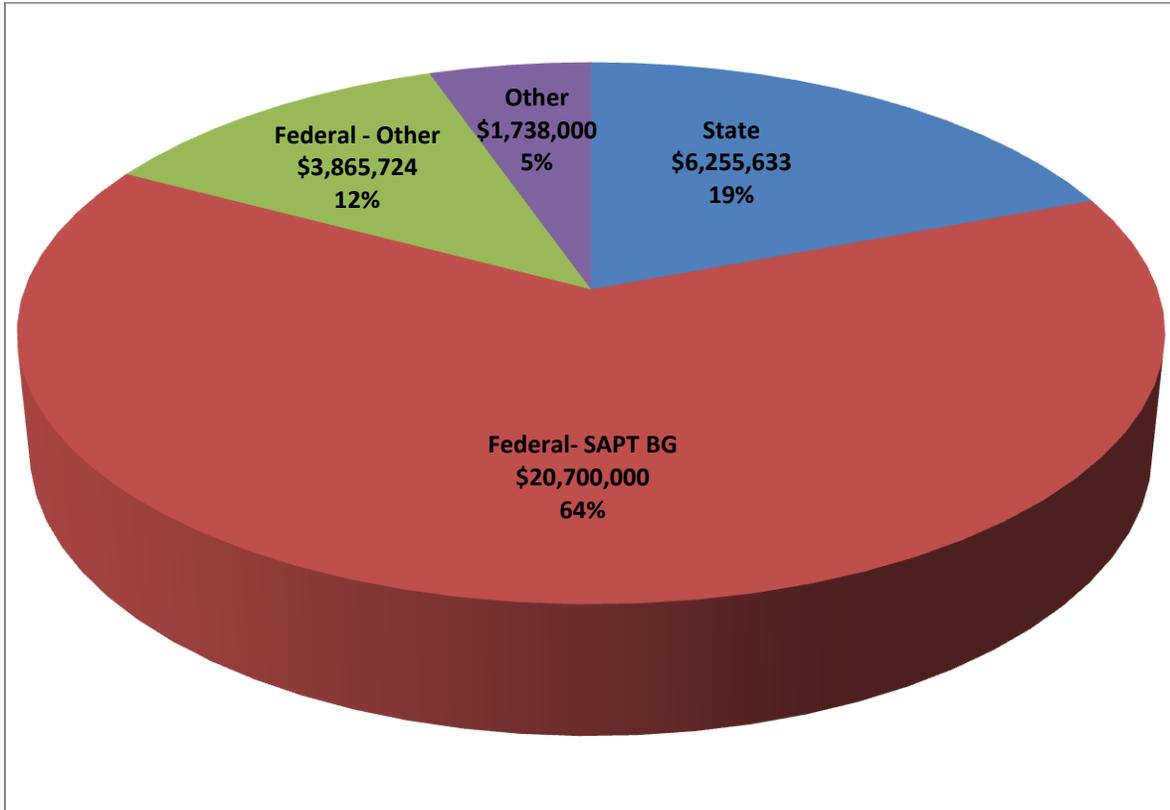
Rounding/adj - \$4

### Managing Budget Cuts

DAODAS has managed the reduced resources over the years by achieving savings in state administration, implementing a one-time furlough, employee attrition (combining job duties), reducing contracts identified as not meeting the agency's core mission, and – finally – reducing direct service lines.

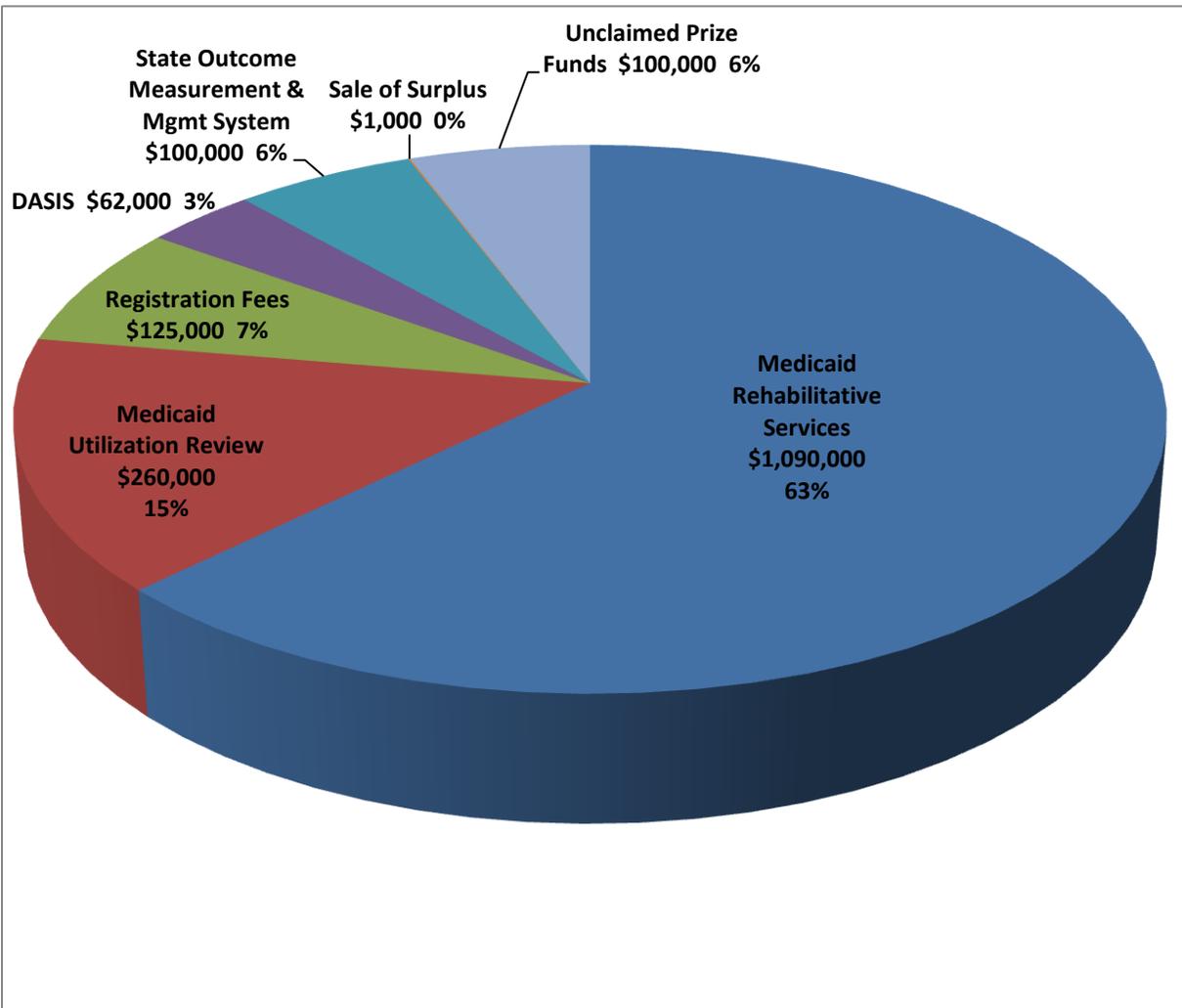
## Budgeted Revenue Sources for FY12

State	\$ 6,255,633
Federal- SAPT BG	\$ 20,700,000
Federal - Other	\$ 3,865,724
Other	\$ <u>1,738,000</u>
<b>TOTAL REVENUE</b>	<b>\$ 32,559,357</b>



## Other Fund Authorizations for FY12

Medicaid Rehabilitative Services <i>Contractual Services with DHHS</i>	\$ 1,090,000
Medicaid Utilization Review <i>Contractual Services with DHHS</i>	\$ 260,000
Registration Fees	\$ 125,000
DASIS <i>Federal Funds for DAODAS to Produce and Submit Treatment Episode Data Sets (TEDS) to SAMHSA</i>	\$ 62,000
SOMMS <i>Federal Funds for DAODAS to Produce and Submit TEDS, National Outcome Measures, and Supplemental Data Sets</i>	\$ 100,000
Sale of Surplus Property	\$ 1,000
Unclaimed Prize Fund <i>South Carolina Education Lottery</i>	<u>\$ 100,000</u>
<b>TOTAL OTHER FUNDS</b>	<b>\$ 1,738,000</b>



V. Proviso Justification Form	Agency Code: J20	Agency Name: South Carolina Department of Alcohol and Other Drug Abuse Services
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- A. Proviso Number:** PROVISO 25.1  
Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):
- B. Appropriation**  
Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*): SECTION 25 - II – FINANCE AND OPERATIONS.
- C. Agency Interest**  
Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences? AGENCY SPECIFIC.
- D. Action**  
(Indicate Keep, Amend, Delete, or Add): KEEP.
- E. Title:**  
Descriptive Proviso Title: (TRAINING AND CONFERENCE REVENUE)
- F. Summary**  
Summary of Existing or New Proviso: THE PROVISO ALLOWS THE DEPARTMENT TO CHARGE FEES FOR TRAINING EVENTS AND CONFERENCES AND TO RETAIN FUNDS EARNED FROM SUCH EVENTS TO PLAN FOR FUTURE EDUCATIONAL AND PROFESSIONAL DEVELOPMENT OPPORTUNITIES IN THE SUBSTANCE ABUSE FIELD FOR PUBLIC AND PRIVATE PROVIDERS.
- G. Explanation of Amendment to/or Deletion of Existing Proviso**  
(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified): NONE REQUESTED.
- H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**  
THE PROVISO IS NECESSARY, AS IT DIRECTS THE EXPENDITURES OF TRAINING AND CONFERENCE FEES. IT GIVES THE AGENCY THE AUTHORITY TO CHARGE FEES NOT FOUND IN THE DAODAS ENABLING STATUTES. A WELL-TRAINED WORKFORCE OF SUBSTANCE ABUSE PREVENTION, INTERVENTION, AND TREATMENT PROFESSIONALS IS ESSENTIAL TO THE OVERALL MISSION OF THE AGENCY. DAODAS PROVIDES TRAINING OPPORTUNITIES TO A WIDE RANGE OF HEALTH PROFESSIONALS (PRIMARY CARE, DOCTORS, NURSES, BEHAVIORAL HEALTH SPECIALISTS, ETC.).
- I. Justification**  
Refer to the instructions for the correct question to answer in this space, based on the action you selected: THE PROVISO IS RECURRING BECAUSE THE ENABLING STATUTE FOR DAODAS HAS NOT BEEN AMENDED TO ALLOW THE DEPARTMENT TO CHARGE FEES FOR TRAINING EVENTS AND CONFERENCES.
- J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**  
\$94,926
- K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**  
NOT APPLICABLE.

**GOVERNOR'S RECOMMENDATION: KEEP**

V. Proviso Justification Form	Agency Code: J20	Agency Name: South Carolina Department of Alcohol and Other Drug Abuse Services
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- A. Proviso Number:** PROVISO 25.2  
Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):
- B. Appropriation**  
Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*): SECTION 25 - II – FINANCE AND OPERATIONS.
- C. Agency Interest**  
Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences? AGENCY SPECIFIC.
- D. Action**  
(Indicate Keep, Amend, Delete, or Add): KEEP.
- E. Title**  
Descriptive Proviso Title: (GAMBLING ADDICTION SERVICES)
- F. Summary**  
Summary of Existing or New Proviso: THE PROVISO ALLOWS THE DEPARTMENT TO EXPEND APPROPRIATIONS, WHEN AVAILABLE, FOR INFORMATION, EDUCATION, AND REFERRAL TO SERVICES FOR PERSONS WITH PROBLEM OR PATHOLOGICAL GAMBLING DIAGNOSES.
- G. Explanation of Amendment to/or Deletion of Existing Proviso**  
(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified): NONE REQUESTED.
- H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**  
THE PROVISO IS NECESSARY, AS IT GIVES THE AGENCY THE AUTHORITY TO EXPEND APPROPRIATIONS WHEN THE GENERAL ASSEMBLY APPROPRIATES FUNDING FOR GAMBLING SERVICES. THE DAODAS ENABLING STATUTE DOES NOT CONTAIN THIS AUTHORITY.
- I. Justification**  
Refer to the instructions for the correct question to answer in this space, based on the action you selected: THE PROVISO IS RECURRING BECAUSE THE ENABLING STATUTE FOR DAODAS HAS NOT BEEN AMENDED TO ALLOW THE DEPARTMENT TO EXPEND FUNDS FOR GAMBLING SERVICES.
- J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**  
\$50,000 (OTHER)
- K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**  
NOT APPLICABLE.

**GOVERNOR'S RECOMMENDATION: CODIFY**

V. Proviso Justification Form	Agency Code: J20	Agency Name: South Carolina Department of Alcohol and Other Drug Abuse Services
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- A. Proviso Number:** PROVISOR 25.3  
Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):
- B. Appropriation**  
Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*): NONE.
- C. Agency Interest**  
Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences? AGENCY SPECIFIC.
- D. Action**  
(Indicate Keep, Amend, Delete, or Add): KEEP.
- E. Title**  
Descriptive Proviso Title: (ELIGIBILITY FOR TREATMENT SERVICES)
- F. Summary**  
Summary of Existing or New Proviso: THE PROVISOR ENSURES THAT CLIENTS WHO PAY ALL APPLICABLE FEES ARE ELIGIBLE TO TAKE PART IN A TREATMENT PROGRAM OFFERED BY THE DEPARTMENT. IT IS AIMED AT ENSURING THAT ALCOHOL AND DRUG SAFETY ACTION PLAN (ADSAP) CLIENTS, THE STATE'S DUI PROGRAM FOR CONVICTED OFFENDERS, WHO PAY FEES, ARE ADMITTED TO THE PROGRAM WITHOUT BARRIER.
- G. Explanation of Amendment to/or Deletion of Existing Proviso**  
(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified): NONE REQUESTED.
- H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**  
THE PROVISOR DOES NOT DIRECT AN EXPENDITURE OR AN APPROPRIATION, BUT DIRECTS THE DEPARTMENT TO ENSURE THAT ITS ADSAP PROVIDERS ACCEPT CLIENTS WHO PAY APPLICABLE FEES WITHOUT BARRIER TO TREATMENT.
- I. Justification**  
Refer to the instructions for the correct question to answer in this space, based on the action you selected: THE PROVISOR IS RECURRING AT THE REQUEST OF SENATOR JOHN LAND. IT HAS NOT BEEN ENACTED AS PART OF SECTION 56-5-2990; THE APPLICABLE CODE CITE THAT GOVERNS THE ADSAP PROGRAM AND APPLICABLE FEES.
- J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**  
NONE.
- K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**  
NOT APPLICABLE.

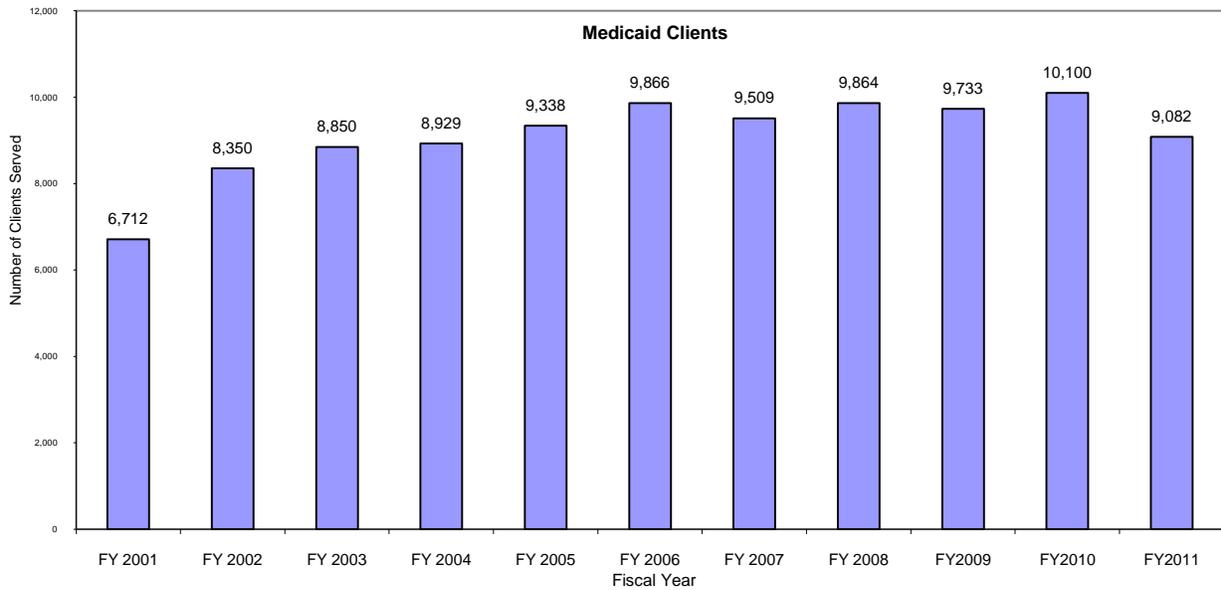
**GOVERNOR'S RECOMMENDATION: CODIFY**

V. Proviso Justification Form	Agency Code: J20	Agency Name: South Carolina Department of Alcohol and Other Drug Abuse Services
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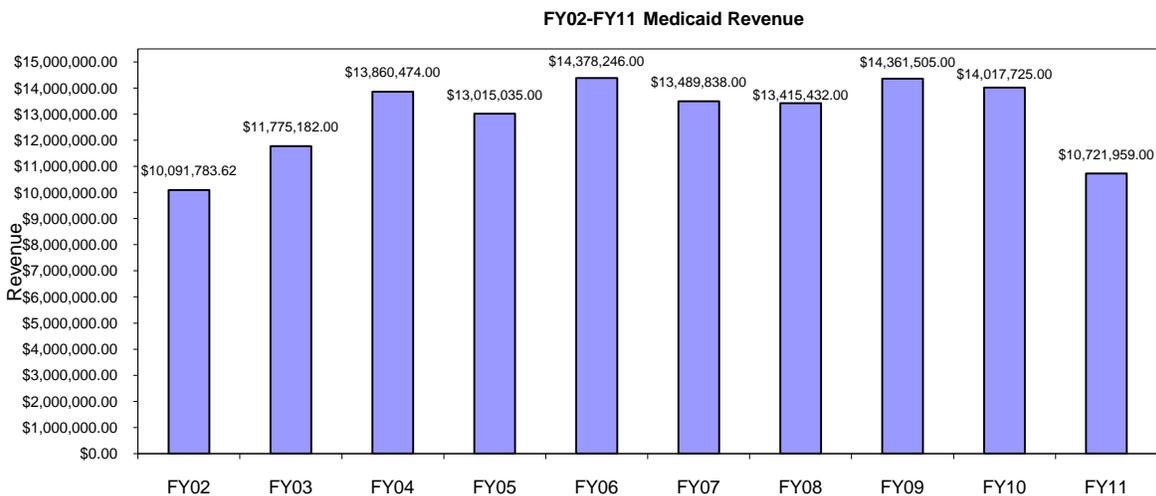
- A. Proviso Number:** PROVISO 25.MMT  
Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):
- B. Appropriation**  
Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*): NONE.
- C. Agency Interest**  
Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences? AGENCY SPECIFIC.
- D. Action**  
(Indicate Keep, Amend, Delete, or Add): ADD.
- E. Title**  
Descriptive Proviso Title: (MEDICAID MATCH TRANSFER)
- F. Summary**  
Summary of Existing or New Proviso: THE PROVISO TRANSFERS THE DEPARTMENT'S DIRECT STATE APPROPRIATION DESIGNATED FOR MEDICAID MATCH TO THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS).
- G. Explanation of Amendment to/or Deletion of Existing Proviso**  
(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified): NONE REQUESTED.
- H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**  
THE PROVISO TRANSFERS THE DEPARTMENT'S STATE APPROPRIATION DESIGNATED FOR MEDICAID MATCH TO DHHS. THE CURRENT AMOUNT OF \$1,915,902 IS INADEQUATE TO FULLY FUND THE REQUIRED MATCH AMOUNT NEEDED TO PROVIDE ALCOHOL AND OTHER DRUG ABUSE SERVICES TO THE MEDICAID-ELIGIBLE POPULATION SERVED. THE MEDICAID MATCH LINE HAS BEEN CUT FROM \$4.1 MILLION TO \$1.9 MILLION SINCE AGENCY BUDGET REDUCTIONS BEGAN IN FY08. DHHS HAS AGREED TO PAY THE STATE MATCH ONCE THE \$1,915,902 HAS BEEN EXPENDED.
- I. Justification**  
Refer to the instructions for the correct question to answer in this space, based on the action you selected: THE PROVISO DOES NOT CREATE A NEW PROGRAM, BUT IS NEEDED TO ASSIST IN FUNDING THE FULL STATE MATCH FOR ALCOHOL AND OTHER DRUG SERVICES DELIVERED TO MEDICAID BENEFICIARIES. IT WILL BE NEEDED IN FUTURE YEARS. THE TRANSFER PROVISO, AS INCLUDED IN THE DAODAS PROVISO SECTION, MAINTAINS THE JURISDICTION OF THE FUNDING AS APPROPRIATED TO THE DEPARTMENT AND ASSISTS IN MEETING FEDERAL MAINTENANCE OF EFFORT REQUIREMENTS IN ORDER TO RECEIVE THE FEDERAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT AND TO AVOID POSSIBLE REDUCTIONS IF THE MEDICAID MATCH FUNDS WERE DIRECTLY APPROPRIATED TO DHHS.
- J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**  
NONE.
- K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**  
AT THE BEGINNING OF THE FISCAL YEAR, THE SOUTH CAROLINA DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES WILL TRANSFER \$1,915,902 TO THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES TO MEET FEDERAL MEDICAID MATCH PARTICIPATION REQUIREMENTS FOR THE DELIVERY OF ALCOHOL AND OTHER DRUG ABUSE SERVICES TO THE MEDICAID BENEFICIARY POPULATION.

**GOVERNOR'S RECOMMENDATION: ADD**

**MEDICAID NOTE** – DAODAS has also worked to better manage stable funding streams, and in FY11 estimated Medicaid revenue was \$10.721 million. DAODAS and its local providers experienced a reduction in services provided to Medicaid beneficiaries (9,082) and a loss in Medicaid revenue due to the implementation of the State Plan Amendments (SPA) by the Department of Health and Human Services. The following two charts reflect Medicaid revenues and the number of Medicaid clients.



Source: DAODAS Division of External Affairs and Provider Support, Utilization Review Section / South Carolina Department of Health and Human Services Report; FY01-11; Unique Unduplicated Clients



Source: DAODAS Division of Operations / South Carolina Department of Health and Human Services Report; FY02-11; Total Medicaid Billing